

Summary of Consolidated Financial Results
For the First Quarter of the Fiscal Year Ending March 31, 2014
(Three Months Ended June 30, 2013)

August 6, 2013

Company name: Nippon Shokubai Co., Ltd. Listing: TSE (First Section)
Code number: 4114 URL: <http://www.shokubai.co.jp/>
Representative: Masanori Ikeda, President and Representative Member of the Board
Contact for inquiries: Teruhisa Wada, General Manager of General Affairs Dept. Phone: +81-6-6223-9111
Scheduled quarterly report filing date: August 8, 2013
Start of cash dividend payments: —
Supplementary quarterly materials prepared: None
Quarterly results information meeting held: None

(Figures are rounded off to the nearest million yen)

1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2014
(from April 1, 2013 to June 30, 2013)

(1) Consolidated operating results (cumulative)

(Percentages represent year-over-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended Jun. 30, 2013	61,208	-22.8	2,124	-70.2	3,282	-61.8	3,042	-38.5
Three months ended Jun. 30, 2012	79,320	-4.9	7,137	-25.5	8,601	-17.6	4,948	-28.1

Note: Comprehensive income (millions of yen):
Three months ended June 30, 2013: 8,677 18.3%
Three months ended June 30, 2012: 7,337 -9.7%

	Net income per share	Fully diluted net income per share
	Yen	Yen
Three months ended Jun. 30, 2013	14.99	-
Three months ended Jun. 30, 2012	24.37	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Jun. 30, 2013	374,299	227,877	59.5	1,096.42
As of Mar. 31, 2013	352,373	220,248	61.1	1,059.85

Reference: Shareholders' equity (millions of yen):
As of Jun. 30, 2013: 222,561
As of Mar. 31, 2013: 215,138

2. Dividends

(Record date)	Dividend per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended Mar. 31, 2013	-	11.00	-	5.00	16.00
Year ending Mar. 31, 2014	-	-	-	-	-
Year ending Mar. 31, 2014 (Forecast)	-	8.00	-	8.00	16.00

Note: Revisions to dividend forecast during the period: None

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2014 (from April 1, 2013 to March 31, 2014)

(Percentages represent year-over-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
1st half	135,000	-9.6	4,000	-59.4	5,000	-56.7	3,500	-46.7	17.24
Full year	300,000	11.3	15,000	49.5	18,000	30.2	12,000	42.8	59.12

Note: Revisions to consolidated earnings forecast during the period: None

4. Others

(1) Changes in significant subsidiaries during the period (changes in specific subsidiaries that affect the scope of consolidation): None

(2) Application of simplified accounting methods and accounting methods peculiar to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies; changes in accounting estimates; restatements

1) Changes in accounting policies due to amendment of accounting standards: None

2) Other changes in accounting policies: None

3) Changes in accounting estimates: None

4) Restatements: None

(4) Number of shares issued and outstanding (common stock)

1) Number of shares issued and outstanding at the end of the period (including treasury stock)

Jun. 30, 2013: 204,000,000 shares Mar. 31, 2013: 204,000,000 shares

2) Number of treasury stock at the end of the period

Jun. 30, 2013: 1,011,639 shares Mar. 31, 2013: 1,010,242 shares

3) Average number of shares outstanding during the period (three-month period)

Three months ended Jun. 30, 2013: 202,988,596 shares Three months ended Jun. 30, 2012: 202,998,421 shares

※Indication regarding execution of quarterly review procedures

This quarterly financial results report is exempt from the quarterly review procedures in accordance with the Financial Instruments and Exchange Act. At the time of disclosure of this quarterly financial results report, the review procedures for quarterly financial statements in accordance with the Financial Instruments and Exchange Act are incomplete.

※Appropriate use of business forecasts; other special items

In this document, statements other than historical facts are forward-looking statements that reflect the Company's plans and expectations. These forward-looking statements involve risks, uncertainties and other factors that may cause our actual results and achievements to differ from those anticipated in these statements.

* The original, written in Japanese, of this information is prepared in accordance with Japanese standard. This is a voluntary translation of the original provided by the company for convenience of readers.

1. Qualitative Information, Financial Statements, etc.**(1) Qualitative Information on Consolidated Operating Results****Overview**

(Unit: Millions of yen)

	Three months ended Jun. 30, 2012	Three months ended Jun. 30, 2013	Change		Year ended Mar. 31, 2013
			(Amount)	(% growth)	
Net sales	79,320	61,208	-18,111	-22.8%	269,520
Operating income	7,137	2,124	-5,014	-70.2%	10,034
Ordinary income	8,601	3,282	-5,319	-61.8%	13,824
Net income	4,948	3,042	-1,906	-38.5%	8,401
Net income per share	24.37 yen	14.99 yen	-9.38 yen	-38.5%	41.38yen
ROA (Return on Assets)	9.4%	3.6%	-	-5.8 points	3.9%
ROE (Return on Equity)	9.6%	5.6%	-	-4.0 points	4.0%
Exchange rate (\$ and EUR)	\$=80.18 yen	\$=98.78 yen	18.60 yen		\$=83.09yen
	EUR=102.84 yen	EUR=128.95 yen	26.11 yen		EUR=107.06 yen
Naphtha price	60,500yen/kl	65,500yen/kl	5,000 yen/kl		57,500 yen/kl

Note: The ROA and ROE figures shown for each Three-months period are annualized.

(2) Consolidated Financial Forecast for the First Half of Fiscal Year Ending March 31, 2014**(from April 1, 2013 to September 30, 2013)**

Forecasts for the first half of fiscal year by business segment are as follows:

(Unit: Billions of yen)

	Basic Chemicals		Functional Chemicals		Environment & Catalysts	
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Forecasts announced May. 8, 2013	57.0	1.0	65.0	2.5	13.0	0.5
Forecasts announced Aug. 6, 2013	57.5	0	66.0	3.5	11.5	0.5
Change	0.5	-1.0	1.0	1.0	-1.5	0

2. Quarterly Consolidated Financial Statements**(1) Consolidated Balance Sheets**

(Unit: Millions of yen)

	Fiscal year ended Mar.31, 2013 (As of Mar.31, 2013)	First quarter of Fiscal year ending Mar. 31, 2014 (As of Jun. 30, 2013)
Assets		
Current assets		
Cash and deposits	49,847	56,788
Notes and accounts receivable-trade	52,579	56,970
Merchandise and finished goods	21,468	24,640
Work in process	7,170	7,524
Raw materials and supplies	13,571	13,863
Other	14,466	15,677
Allowance for doubtful accounts	-49	-55
Total current assets	159,051	175,408
Noncurrent assets		
Property, plant and equipment		
Machinery, equipment and vehicles, net	52,031	51,096
Land	32,396	32,401
Other, net	58,300	63,327
Accumulated impairment loss	-4,225	-4,394
Total property, plant and equipment	138,502	142,430
Intangible assets		
Other	2,227	2,230
Total intangible assets	2,227	2,230
Investments and other assets		
Investment securities	37,252	39,149
Other	15,452	15,183
Allowance for doubtful accounts	-111	-101
Total investments and other assets	52,593	54,231
Total noncurrent assets	193,322	198,891
Total assets	352,373	374,299

(Unit: Millions of yen)

	Fiscal year ended Mar.31, 2013 (As of Mar.31, 2013)	First quarter of Fiscal year ending Mar. 31, 2014 (As of Jun. 30, 2013)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	39,415	42,850
Short-term loans payable	14,533	14,695
Current portion of long-term loans payable	14,080	13,732
Income taxes payable	751	1,711
Provision for bonuses	2,597	4,016
Other provision	2,749	3,114
Other	10,084	9,585
Total current liabilities	84,208	89,703
Noncurrent liabilities		
Bonds payable	10,000	10,000
Long-term loans payable	26,060	34,802
Provision for retirement benefits	10,418	10,480
Other	1,439	1,438
Total noncurrent liabilities	47,917	56,719
Total liabilities	132,125	146,422
Net assets		
Shareholders' equity		
Capital stock	25,038	25,038
Capital surplus	22,083	22,083
Retained earnings	172,376	174,403
Treasury stock	-897	-899
Total shareholders' equity	218,599	220,625
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,846	4,172
Deferred gains or losses on hedges	1	4
Foreign currency translation adjustment	-6,309	-2,239
Total valuation and translation adjustments	-3,462	1,937
Minority interests	5,111	5,316
Total net assets	220,248	227,877
Total liabilities and net assets	352,373	374,299

(2) Consolidated Statements of Income and Statements of Comprehensive Income**Consolidated Statements of Income
(For the Three-month Period)**

(Unit: Millions of yen)

	First quarter of Fiscal year ended Mar. 31, 2013 (Apr. 1, 2012 to Jun. 30, 2012)	First quarter of Fiscal year ending Mar. 31, 2014 (Apr. 1, 2013 to Jun. 30, 2013)
Net sales	79,320	61,208
Cost of sales	62,387	51,104
Gross profit	16,933	10,105
Selling, general and administrative expenses		
Transportation and warehousing expenses	3,170	2,038
Personal expenses	2,117	1,915
Research and development expenses	2,829	2,525
Other	1,680	1,503
Total selling, general and administrative expenses	9,796	7,981
Operating income	7,137	2,124
Non-operating income		
Interest income	18	24
Dividends income	352	340
Equity in earnings of affiliates	415	302
Technical support fee	898	26
Real estate rent	296	279
Foreign exchange gains	-	496
Other	140	86
Total non-operating income	2,119	1,552
Non-operating expenses		
Interest expenses	178	130
Foreign exchange losses	272	-
Depreciation	60	93
Other	146	172
Total non-operating expenses	656	394
Ordinary income	8,601	3,282
Extraordinary income		
Insurance income	-	3,851
Total extraordinary income	-	3,851
Extraordinary loss		
Loss on explosion and fire	-	2,822
Loss on valuation of investments in capital of subsidiaries and affiliates	-	50
Loss on valuation of investment securities	272	-
Loss on valuation of stocks of subsidiaries and affiliates	264	-
Total extraordinary losses	536	2,872
Income before income taxes	8,065	4,261
Income taxes-current	3,513	1,493
Income taxes-deferred	-456	-317
Total income taxes	3,057	1,175
Income before minority interests	5,008	3,085
Minority interests in income	60	43
Net income	4,948	3,042

Consolidated Statements of Comprehensive Income
(For the Three-month Period)

	(Unit: Millions of yen)	
	First quarter of Fiscal year ended Mar. 31, 2013 (Apr. 1, 2012 to Jun. 30, 2012)	First quarter of Fiscal year ending Mar. 31, 2014 (Apr. 1, 2013 to Jun. 30, 2013)
Income before minority interests	5,008	3,085
Other comprehensive income		
Valuation difference on available-for-sale securities	-1,213	1,324
Deferred gains or losses on hedges	-1	3
Foreign currency translation adjustment	2,844	3,671
Share of other comprehensive income of associates accounted for using equity method	700	594
Total other comprehensive income	2,329	5,591
Comprehensive income	7,337	8,677
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	7,162	8,440
Comprehensive income attributable to minority interests	175	237

(3) Consolidated Statements of Cash Flows

(Unit: Millions of yen)

	First quarter of Fiscal year ended Mar. 31, 2013 (Apr. 1, 2012 to Jun. 30, 2012)	First quarter of Fiscal year ending Mar. 31, 2014 (Apr. 1, 2013 to Jun. 30, 2013)
Net cash provided by (used in) operating activities		
Income before income taxes	8,065	4,261
Depreciation and amortization	3,604	3,906
Loss on valuation of investments in capital of subsidiaries and affiliates	-	50
Loss (gain) on valuation of investment securities	272	-
Loss on valuation of stocks of subsidiaries and affiliates	264	-
Insurance income	-	-3,851
Interest and dividends income	-370	-364
Interest expenses	178	130
Equity in (earnings) losses of affiliates	-415	-302
Decrease (increase) in notes and accounts receivable-trade	2,156	-3,741
Decrease (increase) in inventories	-2,702	-3,039
Increase (decrease) in notes and accounts payable-trade	4,103	2,794
Other, net	1,578	550
Subtotal	16,732	394
Interest and dividends income received	2,047	1,266
Interest expenses paid	-80	-56
Proceeds from insurance income	-	3,851
Income taxes paid	-7,121	-629
Net cash provided by (used in) operating activities	11,578	4,826
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	-6,761	-5,499
Payments of loans receivable	-1,233	-
Other, net	-381	-285
Net cash provided by (used in) investing activities	-8,375	-5,735
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	25	268
Proceeds from long-term loans payable	9,110	7,613
Repayment of long-term loans payable	-911	-530
Cash dividends paid	-2,233	-1,015
Cash dividends paid to minority shareholders	-44	-31
Proceeds from sales of treasury stock	-	1
Purchase of treasury stock	-1	-3
Other, net	-12	-12
Net cash provided by (used in) financing activities	5,935	6,292
Effect of exchange rate change on cash and cash equivalents	782	887
Net increase (decrease) in cash and cash equivalents	9,920	6,270
Cash and cash equivalents at beginning of period	50,812	47,801
Cash and cash equivalents at end of period	60,732	54,070

(4) Notes Concerning Quarterly Consolidated Financial Statements**【Going Concern Assumption】**

Not applicable.

【Notes on Substantial Changes in the Amount of Shareholders' Equity】

Not applicable.

【Segment Information】**I First quarter of Fiscal year ended Mar. 31, 2013 (Apr. 1, 2012 to Jun. 30, 2012)****1. Information concerning net sales and profit or loss by reporting segment**

(Unit: Millions of yen)

	Basic chemicals	Functional chemicals	Environment & catalysts	Total	Adjustment	Consolidation
Net sales						
(1) Sales to third parties	33,569	41,115	4,636	79,320	-	79,320
(2) Intergroup sales and transfers	10,271	427	225	10,923	-10,923	-
Total	43,841	41,542	4,860	90,243	-10,923	79,320
Segment income	3,014	3,876	221	7,111	26	7,137

Notes: 1. Segment income adjustment: Elimination of 26 million yen in inter-segment transactions.

2. Segment income is adjusted for Operating Income described in Consolidated Quarterly Statements of Income.

2. Information concerning impairment loss of noncurrent assets or goodwill etc. by reporting segment

Not applicable.

II First quarter of Fiscal year ending Mar. 31, 2014 (Apr. 1, 2013 to Jun. 30, 2013)**1. Information concerning net sales and profit or loss by reporting segment**

(Unit: Millions of yen)

	Basic chemicals	Functional chemicals	Environment & catalysts	Total	Adjustment	Consolidation
Net sales						
(1) Sales to third parties	27,590	26,709	6,909	61,208	-	61,208
(2) Intergroup sales and transfers	2,639	244	2	2,884	-2,884	-
Total	30,229	26,953	6,911	64,093	-2,884	61,208
Segment income (loss)	-315	1,266	1,111	2,062	62	2,124

Notes: 1. Segment income adjustment: Elimination of 62 million yen in inter-segment transactions.

2. Segment income is adjusted for Operating Income described in Consolidated Quarterly Statements of Income.

2. Information concerning impairment loss of noncurrent assets or goodwill etc. by reporting segment

Not applicable.

【Supplementary Information】**Overseas Sales****First quarter of Fiscal year ended Mar. 31, 2013 (Apr. 1, 2012 to Jun. 30, 2012)**

(Unit: Millions of yen)

	Asia	Europe	North America	Other regions	Total
I. Overseas sales	15,195	9,521	5,977	4,899	35,591
II. Consolidated sales					79,320
III. Overseas sales as a percentage of consolidated sales	19.2%	12.0%	7.5%	6.2%	44.9%

First quarter of Fiscal year ending Mar. 31, 2014 (Apr. 1, 2013 to Jun. 30, 2013)

(Unit: Millions of yen)

	Asia	Europe	North America	Other regions	Total
I. Overseas sales	13,484	6,848	6,575	607	27,513
II. Consolidated sales					61,208
III. Overseas sales as a percentage of consolidated sales	22.1%	11.2%	10.7%	1.0%	45.0%

- Notes:
1. Segmentation of countries and regions is based on geographical proximity.
 2. Major countries and regions included in the respective segments:
 - (1) Asia: East Asian and Southeast Asian countries
 - (2) Europe: European countries
 - (3) North America: North American countries
 - (4) Other regions: Countries and regions other than Asia, Europe, North America and Japan
 3. "Overseas sales" represent total sales of Nippon Shokubai Co., Ltd. and its consolidated subsidiaries generated in countries and regions other than Japan.